



JOINT STATEMENT FROM DEVELOPMENT PARTNERS IN
MEKONG DELTA WORKING GROUP,
FOR MEKONG DELTA CONFERENCE

June 18, 2019

Excellency Prime Minister Nguyen Xuan Phuc,
Excellency Deputy Prime Minister Truong Hoa Binh
Excellency Deputy Prime Minister Trinh Dinh Dung,
Ho Chi Minh City Party Secretary Nguyen Thien Nhan
Ministers and leaders of central ministries and agencies
Provincial Party Secretaries and Chairmen of Mekong Delta provinces, and Can Tho

The Development Partners (DPs), who are members of the Mekong Delta Working Group, would like to express our sincere appreciation to Prime Minister Phuc and his Government for the leadership taken to promote a sustainable and climate resilient Mekong Delta. Resolution No: 120/NQ-CP on Sustainable Development of the Mekong Delta in Response to Climate Change takes bold and necessary steps in the direction of a climate resilient, prosperous, and sustainable Mekong Delta. We also commend the Government for approving the overall Action Plan for Resolution 120 on April 13, 2019.

Resolution 120 recognizes the important role of the Mekong Delta in Vietnam's growth. The Delta is also one of the world's most fertile regions. Home to 20 million people, accounting for half of Vietnam's rice production and 70% of its aquaculture, and one-third of Vietnam's GDP, **a sustainable and climate resilient Delta is not an option, it is a must.**

As DPs engaged in the Mekong Delta, we have aligned our support to Resolution 120. Since 2015, we have committed approximately USD1.6 billion to support the orientation found in Resolution 120. We have brought our respective comparative strengths in strategic and spatial planning, regional integration, evidence-based policy formulation, data systems, stakeholder engagement, private sector mobilization, science and technology, and sectoral expertise in wide-ranging topics from agriculture to urbanization. DPs in the Mekong Delta Working Group have worked closely with provincial and central authorities and partnered with national and international institutes, universities, companies and think tanks to bring new perspectives, new evidence, new knowledge and relevant experiences to the Mekong Delta. We have also provided financing for innovative pilots to large infrastructure investments focused on augmenting climate resilience and sustainability while fostering growth for people, rural areas, cities, provinces and the region. **Our commitment is to operationalize Resolution 120, in partnership with both the central and provincial governments, private sector, and the people of the Mekong Delta.**

Looking ahead, we aim to mobilize at least \$880 million to further unlock the Mekong Delta's potential in a sustainable and practical manner and support central and provincial governments to take strategic decisions and implement bold and innovative actions. Future decisions and actions will shape the development pathway for the Mekong Delta, and can make it people-centered, environmentally-friendly, climate-smart, and innovation oriented. Future decisions and actions need to be informed by changing demographics, emerging markets, technological advancements, and regional geopolitics. Converting opportunities into reality will require strong institutions focused on regional coordination, a comprehensive integrated regional master plan, diverse sources of financing effective implementation of transformative and climate resilient investments, use of

integrated data systems, information and decision support systems, industry 4.0, and engaging key stakeholders including academic and research institutions.

The Mekong Delta will benefit in many ways from a strong institution that delivers vertical and horizontal coordination including strategic and integrated planning, prioritization of investments, higher efficiencies in budget execution, coordinated and efficient mobilization of financing, use of latest and accurate data for decisions, effective implementation, collective efforts for policy changes, traction on transboundary challenges, optimization of the Delta's advantages, and greater competitiveness. The regional coordination institution should balance varying interest, define the development orientation for the region in the Integrated Regional Master Plan, identify investment priorities, and allocate responsibilities and sharing of benefits. The regional coordination institution should address bottlenecks and issues during plan implementation. Most importantly, the regional coordination institution must have the authority to select the regional investments for financing and to mobilize necessary financing from public and non-public sources.

The Dutch Delta Program and Delta Commission, the Murray Darling Authority of Australia, the Delta Regional Authority in the United States, the Regional Association Ruhr in Germany, and Southern African Development Community are examples of effective regional coordination that have evolved over time. They involve all key stakeholders - local and central government, research institutes, and financing entities. These institutions have clear authority, mandates, strategic plans, finances, and robust monitoring. **We commit to working jointly with the Government and other key stakeholders to build a similar strong coordination institution for the Mekong Delta.**

We understand the Integrated Regional Master Plan that is being prepared will be a comprehensive and spatially explicit plan that identifies the suitable economic, urban and industrial structure for the Mekong Delta. A well consulted and evidence-based Integrated Regional Master Plan can support inclusive economic growth, engender sustainable and efficient management of current and future natural endowments including land, sediment, fresh, brackish and saline water and ground water, and promote social

cohesion. **Pro-active engagement of all relevant ministries, provinces, and stakeholders in the formulation of the plan is essential.** Inconsistent and overlapping planning that resulted in inefficient investments, must be a thing of the past. As DPs, we are ready to help ensure that the Master Plan incorporates the latest models on climate change and disaster risks, demographics, industrialization, land-use, markets, natural assets, and urbanization.

The Regional Integrated Master Plan by offering the blueprints for a climate resilient, prosperous and sustainable Mekong Delta will help optimize and prioritize investments across key sectors – water security and resource management, agricultural transformation and value chains, disaster risk prevention and erosion control, sustainable energy development, improved connectivity, including through inland waterways, sustainable natural resource management and use, and urbanization. It must clearly specify the responsibilities of various stakeholders to deliver the objective of the plan. **The Integrated Regional Master Plan principles should offer the framework for the provincial master plans and socioeconomic development plans.**

A climate resilient, prosperous, and sustainable Mekong Delta requires efficient use and mobilization of financial resources. Several major actions are needed to effectively mobilize financing, including: (i) setting up an overarching financing platform that can bring together and leverage different sources of financing (public, private, concessional loans, grants) and efficiently allocate the financial resources to prioritized climate-smart investments; (ii) accelerating the enabling regulatory environment for partnerships with private sector, including households, companies, institutional investors, impact investors and others; and (iii) establishing a simplified and efficient budget allocation and execution system. The financing platform should provide dedicated financing aligned to the objectives of Resolution 120 and the upcoming Integrated Regional Master Plan, and be well monitored. **Financing for the platform and for priority resilient investments must be made available in the upcoming 2021-2025 MTIP. Available financing should also cover incentives for coordination, incentives for private sector engagement, formulation and implementation of innovative and transformative climate-smart solutions, and risk**

mitigation. International experiences with Trusts, Financing Facilities, umbrella financing mechanisms, use of bonds, public private partnerships (PPP), and climate financing offer valuable insights for further mobilization of financing for the Mekong Delta. DPs can assist with identifying appropriate financing instruments, designing enabling regulations, and mobilization of financing.

Latest technology and innovation can help anticipate and work with the continuously evolving dynamics of the Delta and any external threats. People at all levels, in local government, local universities, cooperatives, enterprises, associations, and NGOs must have access to the latest knowledge and information, using technology to make this happen. **Greater stakeholder engagement must be accompanied by a comprehensive data system with real time data and decision support tools.** Such a system must help assess the impact of multiple drivers-of-change on the Delta and provide a better understanding of trends. Future decisions on policies and investments must be based on such robust and consistent sources of data and evidence. A comprehensive data system should also enable closer monitoring of indicators that capture the direction of change in the Mekong Delta. It should inform suitable transformative actions on key issues such as climate change and disaster prevention, agriculture and food safety, biodiversity, improved connectivity, water, and urbanization. In line with the overall Action Plan for the Government Resolution 120, DPs will continue to help with the establishment of the Mekong Delta Center, associated integrated databases, and evidence-based decision-making.

Strong coordination, a robust Integrated Regional Master Plan, efficient and targeted financing, engaged stakeholders, innovations and use of technology must underpin the Mekong Delta's future development and investment decisions. With these elements in place, future development of the Delta can be climate resilient, enhance and improve the life of people, diversify and adapt the production systems, build quality, resilient and adaptable infrastructure, and promote wise use the Delta's natural endowments. With these elements in place, that key obstacles to sustainable development of the Mekong Delta can be effectively overcome.

For a sustainable Mekong Delta, investments in water security and water resource management need to be prioritized. Coordinated interprovincial investments are needed to implement efficient and innovative measures to tackle the growing challenge of maintaining access to potable water in a low-lying area subject to delta-wide environmental degradation, water resources depletion and increasing climate change risks. Innovations include community-scale rainwater harvesting, desalinization or storage facilities, and ensuring future water supply for the region through decentralized model where solutions are specific to local availability of fresh and brackish water resources. These innovations, accompanied with policy measures (e.g., positive subsidy scheme) could help provide access to safe water supply.

Integrated water resource management in the Delta also requires commitment, including at the regional level, to adapting to living with water. Low-regret/no-regret investments in water resources management, especially water infrastructure development, should enable and enhance water storage and retention in the upper Delta, and respond to emerging water and climate conditions. Regional and interprovincial cooperation will have to be strengthened to minimize potential conflicts in operating water infrastructures. Actively living with water, will also require embracing floods, droughts and salinity, and reconsidering plans for high dykes, embankments, and sluices by providing room for natural flows and floodplain functions. Complementary actions will have to include sustainable rice production, effective management of flood risk, drought, land subsidence, coastal and river-bank erosion, and action against unauthorized groundwater pumping, sand mining, reclamation of wetlands, mangrove degradation, and water pollution.

The root causes of further land subsidence and coastal and river-bank erosion also require coordinated interventions. Restoration of sediment flows will require better regulation of groundwater extraction and unauthorized sand-mining within Vietnam. It also will require increased Government engagement in transboundary water diplomacy, including on issues related to upstream hydropower planning and sand-mining – the main causes of sediment and nutrient loss in the Delta - and to increase resilience to prolonged droughts and extreme rainfall events. Technical solutions will have to be wide-ranging including increasing water retention, promoting alternative building materials, and using non-structural nature-

based solutions including protection and rehabilitation of floodplain wetlands and mangroves. The urgency with which the necessary elements for development of the Mekong Delta need to be in place is reinforced by the fact that urban areas in the Mekong Delta are sink at the rate of two to five centimeters per year, and sizable coastal and river-bank areas eroding.

Agriculture-based industry, a major player in the future development of the Mekong Delta, will have to focus on less volume and more value. This will require more diversified agriculture, based on climate-smart and efficient production systems adapted to local environmental contexts, natural endowments and comparative advantages. It requires improved knowledge and support services, risk management instruments, supporting infrastructure to transform production systems at scale, and private investment in the latest technology and innovations for augmenting agricultural productivity. **As sector accumulation is the future of agriculture in the Mekong Delta,** agricultural cooperatives need to be encouraged to build value chains, adopt helpful technology and work closely with companies to ensure outlets for their products. **To deliver Resolution 120, the Mekong Delta must evolve into an agribusiness region that is fueled by climate-smart and low-impact agriculture and aquaculture.** Agriculture must be professionalized and focus on adding value. This will help ensure that the Delta remains one of the most productive and sustainable agricultural regions in the world.

The economic development of the Mekong Delta hinges on improved connectivity. As a large wetland subject to upstream and downstream impacts, the Delta is a complex and fragile entity. Greater connectivity should involve climate-proof infrastructure and regionally suitable multimodal transport investments (including inland waterways). The Mekong by tapping into its inland waterway network and making investments on main supply corridors to improve the standard and connectivity of both climate resilient road and canal networks (including major landing stages) can raise the efficiency of logistics services. Improvements in feeder waterways and roads at commune and provincial level would reduce transport costs from points of production to points of export and markets. The poorer and more remote producer communities could be better linked to market centers and areas of warehousing, and processing plants through these corridors. Connectivity could also be bolstered by

improving the efficiency and safety of two key South Waterways Logistic Corridors: East-West Corridor, North-South Corridor, and Cho Gao Canal.

Active engagement of provinces is necessary to accelerate successful implementation of Resolution 120. The Mekong Delta is characterized by different hydro-ecological sub-regions and natural capital endowments. These variations present different opportunities and challenges in terms of exposure to climate change risks, opportunities for economic transitions and infrastructure investments. For example, a climate resilient upper Delta would focus on flood-based agriculture and flood retention. While, a climate resilient coastal area would seize opportunities in a brackish economy and prioritize mitigating coastal erosion. **Stronger engagement of provincial authorities also means thirteen additional champions for delivering the objectives of Resolution 120.**

With the recent approval of the Resolution 120 Overall Action Plan, the Government must accelerate the translation of Resolution 120 from policy to practice. It is time to end business-as-usual and ensure that investments and decisions are low-regret or no-regret. **As clearly stated in Resolution 120, sustainability and climate consideration must inform institutions, plans, financing, investments for the Delta.** The future of the Mekong Delta hinges on collectively supporting the much-needed breakthroughs and preventing irreversible damage and loss. Decisions and commitments made today will determine the future of the Mekong Delta and its contribution to Vietnam's political, growth, and cultural aspirations in the short-and long-term.

The DPs remain committed to bring our comparative advantages to work in partnership with the whole-of-government, private sector and other key stakeholders to achieve sustainable, climate resilient and inclusive growth for the Mekong Delta. **Through our strong partnership we can make the objectives of Resolution 120 reality.**

Vi Dong bang song Cuu Long